



**Silgan Dispensing Systems
Purchase Terms and Conditions
(English- North and Central America, June 2019)**

1. Parties

These Purchase Terms and Conditions (the “Terms”) are effective between the relevant Silgan Dispensing Systems entity (“Silgan”) that purchases the goods or services (collectively, the “Items”), and the supplier (the “Supplier”) that supplies the items (jointly, the “Parties”).

2. Inquiry

Each request by Silgan for an offer, a price quotation or such other request is nonbinding and does not constitute an offer.

3. Price Information and Offers of the Supplier

Unless otherwise agreed in writing by the Parties, the Supplier’s offer regarding the price and deliverability and/or delivery date for the Items shall be binding for a period of 14 days from the time of receipt of such offer by Silgan.

The Supplier shall provide price information, offers, cost proposals and the like free of charge.

Silgan may set specific requirements regarding offers and any contract documents in addition to these Terms (e.g. form, type, scope and content), which the Supplier shall comply with in all circumstances, unless the Supplier refuses such requirements in writing within seven days from the time of receipt of such requirements by the Supplier (in such a case, the Parties shall renegotiate the specific terms of their contract).

4. Ordering

These Terms shall be incorporated and become effective through the written purchase order (the “Order”) from Silgan. The Order shall be considered effective as of the date it is received by the Supplier.

These present Terms shall apply to all contracts regarding any type of Items whatsoever that are provided by the Supplier to Silgan. These Terms exclude any other terms and conditions and/or terms contained in any other document originating from the Supplier (e.g. quotation, acknowledgment, invoice). The Supplier’s acceptance of any Order is expressly governed by these Terms and any other written contract duly executed by authorized representatives of both the Supplier and Silgan (the “Contract”).

By shipping or performing the Items after receipt of the Order, the Supplier confirms that it is bound by these Terms and any other provisions set forth in the Contract. Notwithstanding the foregoing, Silgan will comply with all laws applicable to it relating to the protection of personal data.

5. Delivery / Performance Date

The delivery or service performance date(s) stated in the Order is binding and shall begin to run upon receipt of the Order. In the event no such term is set forth on the Order, the delivery or service shall be provided immediately. In the event of threatened delay in delivery or service, the Supplier shall immediately inform Silgan and provide Silgan with all relevant information regarding the reasons for and the duration of the delay, as well as the proposed remedies or measures.

Delivery or service before the agreed date is permitted only with the prior written consent of Silgan. No disadvantage may arise to Silgan from such early delivery or service; in particular, the payment period (Section 18) shall not begin to run before the agreed date.

6. Delivery, Shipping and Insurance

The delivery or service and the shipping shall take place according to the delivery conditions stated in the Order. If none are stated, it shall take place as DDP (INCOTERMS 2010) at the place of fulfilment determined by Silgan.

COD consignments will not be accepted by Silgan. The stipulated shipping documents must be attached to the consignment, as well as a separate delivery note for each Order. If no particular type of transportation is agreed or stipulated, the most secure transport option must be used by the Supplier. Partial deliveries are permitted only with prior written consent of Silgan.

Excess or insufficient deliveries are not permitted.

The Supplier shall correctly and properly label the Items, and at all times comply with transportation, packaging and other regulations applicable to the sale and delivery of such Items (including product safety). Silgan may set specific requirements with regard to the scope and content of the documentation of the Items, which the Supplier shall comply with at all times.

The Supplier shall be liable for the payment of any penalties, fines or other damages sustained by or imposed upon Silgan as a result of the delivery or service by the Supplier.

The Supplier shall ensure the Items are properly insured and provide Silgan with an insurance statement or certification upon demand by Silgan.

The Supplier shall ensure the prompt and complete fulfilment of all secondary obligations, such as the provision of the necessary evidence of testing, descriptions, operating instructions and such of the Items.

7. Acceptance

The Items shall be delivered to or performed at the destination determined by the Contract and during normal business hours only or as otherwise directed by an authorized representative of Silgan.

Only Silgan’s authorized employees or third party expressly empowered by Silgan may accept/receive the Items. Additional delivery costs, which arise in particular as a result of a delivery outside of the agreed time, shall be borne solely by the Supplier.

Upon delivery of the Items to Silgan, Silgan shall receive title to these Items. Any reservation of ownership by the

Supplier, in particular for Items which are provided for further distribution and/or processing, is excluded.

8. Packaging

The Items must be packaged in a manner which is proper and customary in the trade, so that sufficient protection of the Items is guaranteed. The Supplier shall be liable in any event and regardless of the delivery conditions for any damage arising in the course of the delivery, in particular as a result of the Supplier's defective or improper packaging or transportation.

The Supplier shall bear all costs of packaging. If Silgan assumes costs of packaging, on an exceptional basis established in a prior written agreement, the primary costs will be charged to Silgan and will be presented separately in the invoice. In such a case, a deposit requirement will not be accepted by Silgan.

The Supplier shall dispose of packaging materials, transportation aids and any delivery items and/or residues of such delivery items to be assessed as "hazardous waste" after their use according to their designated purpose, at the Supplier's own risks and costs, or take back such items for disposal. If the Supplier does not comply with this obligation, Silgan is entitled to have this obligation fulfilled by a third party at the full expense and liability of the Supplier.

9. Delay, Cancellation and Contractual Penalty

In the event of a delay in the delivery (or service) or in the event of delivery (or service) in breach of the Contract, Silgan shall be entitled – without prejudice to any further claims – to terminate the Contract immediately after setting a reasonable term for compliance. In the event of doubt, a period of 14 days shall be considered reasonable. Alternatively, Silgan shall remain entitled, according to its sole and absolute discretion, to insist on fulfilment of the Contract. Silgan shall hold the same rights, if insolvency proceedings or similar proceedings are opened against the Supplier or if an application for the opening of insolvency proceedings or similar proceedings is rejected due to insufficient assets to cover costs. Silgan shall hold these rights, even if the Supplier is not at fault.

The Parties acknowledge that timely deliveries or performance are of essence for Silgan. Accordingly, in the event of a delay, Silgan shall be entitled to choose among the following: (i) the Supplier shall pay to Silgan a contractual penalty of 15% of the total Contract value in lieu of the Contract fulfilment; or (ii) a contractual penalty of 1% of the total Contract value in addition to late fulfilment for each calendar day of delay up to a maximum extent of 15%.

Silgan retains the right to claim damages in excess of the above penalty. Silgan shall be obliged to declare the choice of the contractual penalty at the latest at the payment of the invoice, which chronologically follows the delayed delivery.

Notwithstanding the above, if the delay results from force majeure (Section 10), Silgan may extend the delivery date for the duration of the impediment, if the Supplier notifies Silgan promptly of such circumstances and proposes adequate measures.

If the event of force majeure causing the inability to provide delivery or performance of the Items according to the above definition lasts for longer than four weeks, Silgan may terminate the Contract with immediate effect. Silgan will acquire this right of termination with immediate effect without compliance with the above-mentioned period, if the compliance with the agreed date of delivery (or service) is required for the assurance of Silgan's normal business operations.

10. Force Majeure

War, civil war, export and/or trade restrictions on the basis of political relations along with strikes, lock-outs, operational interruptions, operating restrictions not attributable to the Supplier and similar events including earthquakes not lying under the influence of the Supplier, that make impossible or unreasonable for the Supplier to fulfil its obligation, will be considered events of force majeure.

The Supplier is not liable for failure to perform due to force majeure, provided the Supplier has done everything that was reasonable to avoid or limit the impact thereof and Silgan receives preferential treatment to ensure supply.

11. Transfer of Risk

Unless otherwise agreed by Silgan in writing, the Items shall be delivered DDP (INCOTERMS 2010).

12. Warranty and Guarantee

All Items shall demonstrate the agreed quality and quantity and correspond to the applicable general and particular standards, in particular regarding protection of workers and safety, transportation of dangerous goods, treatment of hazardous waste along with relevant storage and operating regulations as well as recognized technical and scientific standards. If the Supplier provides a guarantee for the presence of a particular feature of the Items, the Items must correspond to this guarantee.

The Supplier shall inform Silgan comprehensively of the options for use and suitability of the Items, along with the corresponding handling and storage, if this is not obvious or already known on the basis of the existing business relationship.

Unless otherwise agreed in writing by Silgan, the warranty period shall be 24 months from the date the risk for the Items has been transferred to Silgan in accordance with the Contract.

The Supplier guarantees Silgan that the Items will be free from defects at the time of delivery and during the warranty period and suitable for the agreed use or use resulting from the nature of the Items.

If a repair is made, the warranty period (24 months) will start to run again from the repair date. If the setting of a deadline for compliance is required, a deadline of 14 days will be deemed reasonable.

Silgan shall test the goods within a reasonable period for any obvious discrepancies in terms of quality or quantity. However, no function test shall take place; the claim shall in any event be deemed timely, if Silgan sends it to the Supplier within a period of 5 working days calculated from receipt or upon completion of performance of the Items or from the time of discovery in the case of concealed defects.

Notwithstanding the foregoing, Silgan holds all rights for quality defects to the full statutory extent without restriction. In the framework of a claim for subsequent fulfilment, Silgan is entitled at its sole and absolute discretion, to demand remedying of the defect, delivery of new Items or re-performance thereof. The right to compensation for damages, in accordance with Section 13, is expressly reserved in any event, in particular the right to compensation for damages in lieu of the delivery or performance.

13. Compensation for Damages and Product Liability

If and to the extent the Supplier is responsible for a product defect, the Supplier shall indemnify and hold harmless Silgan against all claims for compensation damages and any costs, demands, expenses, liabilities or loss arising out of or in relation to the product defect (e.g. in case of product recall). The Supplier shall indemnify Silgan upon first request.

The Supplier shall be liable in full for consequential expenses, which result from product or service defect.

In the framework of this liability for damage events, the Supplier shall also be obliged to compensate any costs arising out of or in relation to a product recall performed by Silgan. Silgan shall inform the Supplier, insofar as is possible and reasonable, regarding the content and extent of the recall measures to be performed, and provide the Supplier with the opportunity to state its position. Other legal rights shall remain unaffected.

The Supplier shall be obliged to hold liability insurance (including product liability) to cover all personal injury or damage to property with a corresponding sum insured during the supply relationship, i.e. up until the expiration of the defect claim limitation period (being specified that claims for compensation for damages against the Supplier in excess of this shall remain unaffected). The Supplier shall provide Silgan with insurance statement or certification upon demand by Silgan.

14. Fire Protection, Environmental Protection, Worker Safety

While at a Silgan facility, the Supplier (i.e. its staff, employees and subcontractors) shall ensure its compliance with the internal company rules applicable to such facility (in particular fire protection environmental protection, workers safety and health regulations).

The relevant versions of the rules being available at each facility, the Supplier is responsible for requesting them in advance and informing its staff, employees and subcontractors of these rules accordingly. The Supplier shall be liable in full for any intentional or grossly negligent breach of Silgan's rules by its staff, employees or subcontractors. Silgan may expel such person from Silgan's facility at any time, if the latter does not comply with the internal rules after being requested to do so. All costs, arising from a failure to adhere to the facility rules, shall be borne exclusively by the Supplier.

15. Industrial and Intellectual Property Rights

The Supplier shall ensure its compliance and that of all Items with all applicable official regulations and laws (including Intellectual Property Rights), and with those of the relevant authorities. The Supplier hereby warrants and represents that it is aware of any such laws and regulations. Should the Supplier fail to comply with such laws and regulations, the Supplier hereby agrees to indemnify upon first request and hold harmless Silgan from and against all consequences of such failure (e.g. any costs, demands, legal fees, expenses liabilities or loss arising out of or in relation to the Supplier failure).

In the case of a violation of Intellectual Property Rights, the Supplier shall ensure either to obtain for Silgan the right to continue using the Items or replace or modify them so that they become non-infringing.

16. Confidentiality

The Supplier agrees to keep confidential all business and technical information regarding and acquired in the course of its activities connected with its business relationship with Silgan, as well as the terms of the Contract.

This obligation is not limited in time, and shall continue after the termination of the relationship between the Supplier and Silgan.

17. Drawings, Tools and Models

The drawings, sketches, tools, aids, patterns, models and suchlike assigned and/or financed by Silgan for performance of the Contract remain and/or become the exclusive property of Silgan.

All these elements shall not be made accessible to third parties or be used for other purposes and shall not be used for publicity purposes without Silgan's prior written consent. Such materials shall be returned immediately upon delivery of the or upon completion of the performance of the Items and/or upon revoking of the Order (Contract cancellation).

18. Price and Payment Terms

All prices are final, not subject to change and do not include VAT.

The payments shall be made according to the payment conditions stated in the Order. If none are stated, the payment shall be made within 30 days minus 3% discount or within 60 days without deduction. The payment periods begin upon the receipt of the Supplier's invoice by Silgan, but at the earliest on the agreed delivery date. In all cases, if the risk transfers after the delivery or the invoice receipt, the calculation shall start from the date of transfer of risk. In the case of partial invoices, Silgan is also entitled to deduct the discount, even if the relevant requirements do not apply to other partial invoices of the same Order.

All invoices shall be sent without exception to the invoice address stated on the Order, contain adequate information (in particular the Order number, Items identification and Silgan's material number) to identify the corresponding Order, and comply with applicable tax law provisions.

The Supplier's invoices not complying with these Terms and/or the Order shall not initiate payment periods and will be rejected without payment.

If the foregoing payment terms are invalid under applicable law, the maximum payment conditions as stipulated under such law shall be considered as agreed between the Parties.

Payment shall be considered as in good time within the discount period and/or general payment period if made in the framework of the weekly handling of payment traffic on the next possible weekly date after expiry of the relevant period.

No assignment of claims may be permitted without Silgan's prior written consent.

19. Quality

Silgan expects that the Supplier updates the quality of its products to be delivered to Silgan to the latest state of technology and informs Silgan about possible improvements and technical changes. However, changes to the delivery item require in any case Silgan's prior written consent.

20. Relationship of the Parties

This Purchase Order is not intended to create, nor should it be construed as creating, an agency, joint venture, partnership or similar relationship between the Parties. Each Party will act solely as an independent contractor and neither Party will have the right to act for or bind the other Party in any way or to represent that the other Party is in any way responsible for any acts or omissions of such Party.

21. Place of Fulfillment, Court of Jurisdiction and Governing Law

The place of fulfillment corresponds to the delivery address stated by Silgan and/or the location at which the Items are to be delivered or performed according to the Order.

Any disputes arising out of or in relation to the Contract and/or an Order shall be governed by the substantive laws of Missouri, excluding its conflict of law rules and excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).

The parties consent and agree that venue is proper with, and any and all disputes arising out of or related in any way to these terms or the Items shall be subject to the exclusive jurisdiction of the Federal Court of the Western District of Missouri located in Kansas City, Missouri. The parties consent to the jurisdiction of such courts, agree to accept service of process by mail, and waive any jurisdictional or venue defense otherwise available.

22. Principles of Conduct

The Supplier shall conduct its business in compliance with Silgan's principles of conduct ("Principles") as may be communicated by Silgan from time to time (including any amendment thereof) during the contractual relationship. In addition, Silgan may present to the Supplier for review the codes of conduct or other compliance policies and procedures of one or more of its customers and licensors (the "Additional Principles"). The Supplier shall then determine whether or not it is able to comply with such Additional Principles, and shall promptly inform Silgan accordingly in writing. If the Supplier agrees to comply with the Additional Principles, such Additional Principles become mandatory for the Supplier under these Terms and are incorporated herein by reference.

The Supplier also agrees to require its subcontractors and suppliers who manufacture Items or components of the Items or provide services for Silgan to abide by the Principles and the same Additional Principles as the Supplier has to comply with. Silgan's representatives and agents, as well as representatives and agents of Silgan's customers and licensors if the Supplier has agreed to comply with their Additional Principles, may inspect the Supplier's and its subcontractors' and Suppliers' facilities and interview their employees to audit compliance with the Principles and Additional Principles. The Supplier and its subcontractors and own suppliers shall grant all such representatives and agents access to their facilities, records and employees to conduct the audits, and shall cooperate with all reasonable requests of the representatives and agents in the performance of the audits. The foregoing rights and obligations apply to all companies that manufacture or prepare Items for Silgan.

The Supplier acknowledges that its failure or the failure of its subcontractors or own suppliers to comply with the Principles, as well as any relevant Additional Principles shall be considered as a material breach of the present Terms, as well as a breach of the Contract.

23. Compliance with Laws

The Supplier shall comply with all laws, rules, regulations and ordinances applicable to the performance of Supplier's obligations under this Contract, including but not limited to any and all applicable data protection laws and anti-bribery laws, the U.S. Foreign Corrupt Practices Act and the UK Bribery Act 2010; U.S. Export Administration Regulations prohibiting export to embargoed countries; the provisions of (EC) Regulation No. 1907/2006 on the registration, valuation, licensing and restriction of chemical substances ("REACH Regulation") and The California Safe Drinking Water and Toxic Enforcement Act of 1986 ("Prop 65"). Additionally, the Supplier shall disclose to Silgan in writing in advance if it is providing to Silgan any "3TG" metals (tin, tantalum, tungsten or gold) that were sourced from the Democratic Republic of the Congo, Angola, Burundi, Central African Republic, Congo Republic, Rwanda, South Sudan, Tanzania, Uganda, or Zambia.

24. Equal Employment and Nondiscrimination

If this is a qualifying federal government contract or subcontract under applicable law, Seller hereby agrees that the provisions of the Equal Opportunity Clause, as promulgated by Executive Order 11246 dated September 24, 1965, as amended; the Vietnam Era Veterans Readjustment Assistance Act of 1974, Section 503 of the Rehabilitation Act of 1973; and the implementing regulations found at 41 C.F.R. 60-1 and 2, 41 C.F.R. 60-250, and 41 C.F.R. 60-741; as well as 48 C.F.R. 52.219-8, Utilization of Small, Small Disadvantaged and Women Owned Business Concerns (June 1997); 48 C.F.R. 52.219.9, Small, Small Disadvantaged and Women-Owned Business Subcontracting Plan (August 1998); 48 C.F.R. 52.222-35, Affirmative Action for Special Disabled and Vietnam Era Veterans (April 1984); 48 C.F.R. 52.222-37, Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era (January 1988); and 48 C.F.R. 52.222-36, Affirmative Action for Handicapped Workers (April 1984), are hereby incorporated by reference into the Purchase Order, with the same force and effect as if they were given in full text. The full text is available upon request. Seller hereby agrees that it will comply with such provisions as are applicable, or when otherwise required by the Federal Acquisition Regulations. In that event, Seller shall certify such compliance as requested. In addition, **this contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a). These regulations prohibit discrimination against qualified, protected veterans and qualified individuals on the basis of disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified, protected veterans and qualified individuals with disabilities.**

25. Prohibited Trade Practices; FCPA

Supplier shall not engage in any bribery, kickbacks, collusive bidding, price fixing, or other unfair trade practices. Supplier (and its partners, employees, representatives and agents), and the Items being directly or indirectly provided by Supplier, shall comply with the U.S. Foreign Corrupt Practices Act ("FCPA") and the applicable anti-bribery and anti-corruption laws of any

country outside the United States in which Supplier will perform services (“Corrupt Practices Laws”). If a) Supplier learns of or has reason to know of any payment, offer or agreement relating to the Items that is contemplated or that has occurred and that represents or could represent a violation of the FCPA or Corrupt Practices Laws or b) while the Items are being provided, Supplier learns or forms a reasonable belief that Supplier, directly or through any agent or service provider, paid any bribe that is punishable under the FCPA (or would be if Supplier was subject to that statute) or Corrupt Practices Laws, Supplier shall immediately advise Silgan’s General Counsel, in writing, at 1001 Haxall Point, Suite 701, Richmond, Virginia 23219. Subsection b) above applies to Supplier’s conduct irrespective of whether the bribe in question relates to or benefits the Items or Silgan; however, the provision of such advice shall not represent a breach under these Terms unless the actual or suspected bribe relates to the Items contemplated under these Terms. Silgan shall be permitted to take reasonable steps to avoid, mitigate or investigate such an actual or potential violation of the FCPA or Corrupt Practices Laws, which may include reviewing Supplier’s books and records and auditing for these purposes at any time upon reasonable notice. Silgan may disclose these Terms and any information that it obtains hereunder to any government agency, regulatory authority or other persons that Silgan has determined, in its discretion, have a need for such information.

26. Most Favored Customer

Should the conditions of supply or performance of the Items (under similar quantity and terms) entered into or to be entered into by the Supplier with another third party be more favored to such other third party than the terms of the Contract between the Supplier and Silgan (e.g. regarding prices, costs, fees, discounts, warranty, etc.), the Supplier shall immediately extend these favored conditions to Silgan.

27. Invalidity of Contractual Provisions

If any of the provisions of these Terms and/or of the Contract are found to be invalid or void, the remaining provisions of these Terms and/or the Contract shall remain valid and shall continue to bind the Parties.

The Parties shall replace all invalid or void provisions with new provisions that are valid under the applicable law and come closest to the original intent of the Parties.

This provision shall apply equally in case a loophole emerges in these Terms and/or in the Contract. In order to fill the loophole, the Parties shall work towards the establishment of reasonable provisions, which approximate as far as possible to what the Parties entering into the Contract would have intended according to the sense and purpose of these Terms and/or the Contract, if they had considered the point.

28. Subcontracting

Supplier shall not subcontract any of its duties or obligations under these Terms without the prior written consent of Silgan. No provision in these Terms or in any such subcontract, transfer, delegation, or assignment shall create or give to third parties any claim or right of action against Silgan. Supplier agrees that it is as fully responsible to Silgan for the acts and omissions of any subcontractor and of persons either directly or indirectly employed by such subcontractor, as Supplier is for the acts and omissions of persons directly employed by Supplier.